

Caltrans Statewide Small Business Council – Meeting Record
Lanatt Street Training Center – 3390 Lanatt St., Sacramento, CA 95819
May 16, 2014, 8:30 a.m. to 12:00 p.m.

Action/Task	Who is responsible/ presented	By when	Status
A. Meeting called to order at 8:38 a.m.	Angela Shell, Acting Assistant Director, OBEO and Council Chair		
B. Action Items to Date	Angela Shell		
Action Item from the September 2013 meeting:			
ACTION ITEM #3: Chair Shell (Acting) to take the language on insurance requirements presented by Ms. Llewellyn to Caltrans Legal and OE for review and feedback.	Chair Shell (Acting)	5-16-14	ASSIGNED – proposed language on insurance requirements changes researched by the DBE Participation Committee; per Ms. Llewellyn, the solution provided is still not acceptable. Work on this matter will continue with the Construction and DBE Participation Committees.
Action item from the March 2014 meeting:			
ACTION ITEM #1: I-405 utilization information requested.	Chair Shell	5-16-14	DONE – report included in meeting packet.
Action Items from the May 2014 meeting:			
ACTION ITEM #1: Develop an Executive Summary of the Award Tracker report.	Ramon Carlos	7-18-14	ASSIGNED – update on progress at the July SBC meeting.
ACTION ITEM #2: Develop a report that tracks dollars spent on commodities.	Sherri Gastinell	7-18-12	ASSIGNED – update on progress at the July SBC meeting.
ACTION ITEM #3: Provide a report on design/build utilization.	Chair Shell	7-18-14	ASSIGNED – progress on arrangements to have Ray Tritt to report on design/build utilization.
A. Agenda review and remarks – Chair Shell Change in order requested by Vincent Mammano, FHWA, to accommodate his leaving before 9:00 a.m.; request approved by the council.			
B. FHWA Update – Vincent Mammano			
1. GROW AMERICA Act (Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America) – currently a proposal.			
a. \$302 billion, four-year transportation reauthorization proposal “that provides increased and stable funding for our Nation’s highways, bridges, transit, and rail systems;” \$150 to \$160 billion will come from corporate taxes - it is anticipated California will receive roughly 10% of these funds.			
b. Includes funding of workforce development, ladders of opportunity, on-the-job supportive services, and local hiring preference for projects over \$10 million. Addition of local hiring preference is new requirement.			
c. Targets disadvantaged, high unemployment communities.			
d. Carries over the core of MAP-21; is performance based.			
e. Funding this program will be a challenge, however, the House and Senate have been communicating with one another, which might be considered a good			

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sign.			
2. Highway Trust Fund			
a. Will be depleted by the end of August.			
b. Currently, there is no legislation in place to sustain the fund.			
c. Tolling is a limited funding option for states to draw upon as an alternative. California is considering tolls to support new infrastructure.			
d. Caltrans will be making decisions to deal with this situation.			
3. Re: 11.9% participation – improvement, but there is more work to be done.			
4. Re: declaring African American DBE participation levels “egregious” – will be determining a direction to address this matter.			
C. Remarks and Action Item review – Chair Shell [refer to the log of Action Items as of September 2013 for details.]			
1. DBE utilization now at 11.9%; full reports (both monthly and quarterly) are available on the OBEO website.			
2. Award Tracker report, March – hard copy in meeting packet; this report is also available on the Caltrans Office Engineer website.			
3. Re: GFE – is it possible to track whether the DBE in the GFE represented a particular group, i.e., African American? Response: possible to track who applied in the GFE, but there would not be a specific reason why the firm(s) did not qualify; would need to look at each contract to determine whether a group, such as African American, was rejected; difficult to determine whether a firm is qualified and competitive; bid shopping can discourage firms from bidding. Lance Yokota, FHWA, pointed out the Award Tracker report shows only 10% was GFE. Norma Ortega, Acting Chief Deputy Director, suggested there should be an executive summary of the Award Tracker report, to make the material easier to interpret.			
4. Re: Action Item #3, (carryover from 2013) language on insurance requirements – still a work in progress; currently being handled by the DBE Participation Committee.			
5. Re: Action Item #1, (March 2014) I-405 utilization information – refer to the report in the meeting packet.			
ACTION ITEM #1: Develop a Executive Summary of the Award Tracker report.			
D. Highlights from the Director’s Office – Norma Ortega, Acting Chief Deputy Director			
1. Personnel changes			
a. Rick Land, Chief Deputy Director, has retired; Ms. Ortega, Caltrans Chief Financial Officer, is the Acting Chief Deputy Director.			
b. Carrie Bowen, formerly the District 10 Director, is now the District 7 Director.			
2. Budget hearings for 2014/2015 FY			
a. With the announcement of the May budget revise, Caltrans appears to be doing well overall.			
b. Most Prop 1A funds will have been allocated, so Caltrans will be returning to its regular workload.			
c. Anticipate repayment of \$350 million Caltrans had loaned to the general fund; in light of this repayment, the Assembly has asked Caltrans for estimates on building additional projects.			
3. Secretary of Transportation – as had been mentioned in the past by Director Dougherty, three teams are working on existing and future revenue stream options to address the funding gap anticipated over the next ten years to support California’s infrastructure needs.			
4. Highway Trust Fund – decisions are to be made when to temporarily suspend projects in anticipation of the Fund’s projected depletion in August.			
E. District 3 Report – Jody Jones, District 3 Director			
1. DBE achievement currently at 14.3%			
2. Latest DPAC report – nearly 75% SB participation; DVBE at 2%, however, a large contract through OE as of April is at 6% DVBE.			

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3. North Region Calmentor Program – 8 pairings of Mentors and Protégé firms; new firms have joined the Steering Committee and will be meeting to plan upcoming events; new brochure developed. Council Member Chris Chavez suggested there be a similar program focused on commodities; pointed out San Diego is in the process of doing this. Liza Whitmore, District 3 Small Business Liaison reported.			
1. Business Exchange – held April 18; District 3 collaborated with the Department of Public Health to promote contracting with SB/DVBE; opportunity for SB/DVBE to meet over 100 buyers and staff from several state agencies.			
2. Small Business Symposium and Procurement Fair sponsored by the Hispanic Chamber of Commerce, May 15, Sacramento – first time collaboration between District 3 and the Chamber; attended by over 200 businesses; buyers represented both public and private sectors; Council Member Alice Perez, who represents the Chamber, expressed her appreciation for Ms. Whitmore’s assistance.			
3. Collaborating with organizations to organize these types of events is viewed as an opportunity to help the public understand how to do business with Caltrans and the SB community.			
F. District 4 Report – Bijan Sartipi, District 4 Director			
1. As of May 2, currently 119 active construction contracts valued at \$4.3 billion; includes the demolition of the Bay Bridge; expect this value will drop substantially after the district accepts the Self-Anchored Suspension (SAS) contract later in the year.			
2. Currently 11 contracts with a value of over \$90 million that are being advertised; one smaller contract valued at \$170,000 ready to the California Transportation Commission for allocation; 8 contracts with bids opened and awaiting award valued at \$18 million; and 6 projects valued at \$97 million awarded since February 13.			
3. Directors Orders – 14 valued at \$25.8 million, 30% awarded to SBs; 10 valued at \$2.5 million, 59% awarded to SBs.			
4. Minor B projects – 8 being delivered utilizing the simplified process.			
5. Re: A&E contracts:			
a. 38 active contracts valued at \$123 million (19.4% paid to non-UDBEs, 12.43% to UDBEs, 28.17% to DBEs).			
b. 12 non-federal contracts valued at \$145 million, to date 37.69% SBs, 18.51% DVBEs.			
6. 2014/2014 Fiscal Year - developing 81 contracts valued at \$350 million, most of which are smaller contracts.			
7. Procurement Fair, February 27 – yielded close to \$860,000 in purchases.			
8. Toll Bridge Small Business Program – report outlines results of a study on the economic analysis of the program. Payments issued in excess of \$259 million to more than 330 individual SBs, DVBEs, and DBEs for work on the Toll Bridge Seismic Safety projects on the Antioch, Dumbarton, and San Francisco Bay Bridges; \$178 million of that total was paid to local firms.			
9. Small Business Program Annual Report – Director Sartipi will provide OBEO with the link to access the report to be sent to the council members.			
10. Calmentor Program – 102 members (28 mentors; 74 protégé); nearly two dozen local agencies involved, including BART, ACTC, MTC, SFMTA, SamTrans, VTA, AC Transit, EBMUD, and the Golden Gate Bridge. As of March, 37 protégé firms have graduated. The program’s progress can be followed online at the District 4 website.			
G. District 11 Report – Lorna Rice, Deputy District Director, Administration			
1. 10 th Annual Procurement and Resource Fair, March 26, at Balboa Park Club – very successful with over 700 attendees, 66 exhibitors including SANDAG, City and County of San Diego, U.S. Customs and Border Protection, and Department of Homeland Security.			
2. Small Business Week activities – certification workshops for SB and DVBE conducted May 14.			

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3. Upcoming projects <ul style="list-style-type: none"> a. SR 163 at Friars Road – estimated cost of \$20 million to \$40 million to revise the interchange and widen the overcrossing and approach; proposed advertise date is June 2014. b. SR 125 in Lemon Grove from Ekelton Place undercrossing to Troy Street overcrossing – estimated cost is \$1 million to \$10 million to install median concrete barriers; proposed advertise date is July 2014. c. SR 7 in Imperial County from the International Border to SR 98 – estimated cost is \$10 million to \$20 million to perform pavement rehabilitation; proposed advertise date is July 2014. 4. Minor B – 19 Minor B projects awarded totaling \$4.4 million, of which \$4.3 million was awarded to SBs; overall SB utilization is 98%. 5. District’s Small Business Outreach Unit – upcoming activities [events are posted on the Event Calendar, OBEO website]. <ul style="list-style-type: none"> a. How to do business with Caltrans, May 19. b. Meet the Buyers, North County Small Business Development Center, May 30 – SBs get to meet one on one with public agencies. c. Prime Contractors Award ceremony, August 27 – the unit will be hosting the ceremony, which recognizes Prime Contractors in both Construction and A&E who have the highest DBE/DVBE utilization. d. Calmentor Program – began its fifth cycle on September 1; total of 25 pairs; two mentor companies have two protégé each. 			
H. DGS Update – Angel Carrera <ul style="list-style-type: none"> 1. Jim Butler will be presenting at the July SBC meeting; council members should submit their questions to Chair Shell to provide to Mr. Butler in advance. 2. DGS Consolidated Annual Report – link to this report will be sent to OBEO for distribution to council members; report makes it possible to see which state agencies achieved or did not achieve their goals. [Link emailed to council members on 6/2/14.] Focus on agencies not meeting their goals and strategies to improve. 3. Mr. Carrera introduced Marie Ramos, SB Advocate for Cal Fire; because of the heightened danger of fire because of the drought, Ms. Ramos attended with the intent to network with council members. 4. DGS has produced new DVBE brochures. 5. AB 1734 – Mr. Carrera has met with the sponsor of the bill, currently in discussions on whether to make the goal hard instead of aspirational; link to the current version of this bill will be sent to the council. [Link provided via email to council members on 5/21/14.] 			
I. Meeting Record approval <ul style="list-style-type: none"> 1. No changes. 2. Motion to approve the meeting record for the month of March, 2014, Council Member Debbie Hunsaker; second, Council Member Eddy Lau. 3. The ayes have it; the meeting record for the month of March, 2014 is approved. 			
J. Strategic Planning update <ul style="list-style-type: none"> 1. Members: Chair Shell; Lance Yokota, FHWA; Angel Carrera, DGS; Council Members Bill Ulmer, Richard Hernandez, Rebecca Llewellyn, Zeke Patten. 2. Focus on operating procedures. 3. Meeting again in June via teleconference to discuss the standing committees. 4. Intent is to improve the effectiveness of the council. 			

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K. Ad Hoc Committee Report – African American DBE Participation – Eddy Lau, Committee Chair			
<ol style="list-style-type: none"> 1. The committee will be meeting at OBEO after the full council adjourns. 2. Considering District 11's outreach strategies as a model, setting up a pilot program. 3. Committee participation continues to be a challenge; this will be discussed during the meeting. 			
L. Committee Meeting Reports			
<ol style="list-style-type: none"> 1. Commodities – Chris Chavez, Chair <ol style="list-style-type: none"> a. List of items most purchased – request for the fourth quarter of 2013. b. SB commodity report – can Caltrans provide a list similar to the one Metro has put together? A sample of the Metro report to be given to OBEO for reference. c. Procurement fair – question raised about the schedule of these events across the state. Chair Shell referred to the Event Calendar found on the OBEO website, which is updated by each district's Small Business Liaisons for current and future events such as procurement fairs. d. DPAC brochure – DPAC will include language explaining use of suppliers to fulfill DBE goals, but will first need to use up their current supply of printed materials. e. Requested the FHWA report include supplies. 			
ACTION ITEM #2: Develop a report that tracks dollars spent on commodities.			
<ol style="list-style-type: none"> 2. Local Assistance – Richard Hernandez, Chair <ol style="list-style-type: none"> a. Working with Local Assistance on goal setting in projects over \$2 million, A&E goals for projects at \$500,000; considering the impact of staff limitations on how this is implemented. Now in the process of developing policy, which should be released soon. b. Re: I-405 report – encouraged to see this was done at the council's urging; discussion followed on the accuracy of the actual work done by DBEs. 			
<ol style="list-style-type: none"> 3. Construction – Debbie Hunsaker, Chair <ol style="list-style-type: none"> a. Construction award – seeking council input on how to score primes in their use of DBE, DVBE, and SB. Forward suggestions to Carole Ching at OBEO to be sent to Ms. Hunsaker. The committee's goal is to have the ballots ready in July, select a finalist in September, and hold an awards ceremony at AGC in November/December. Will also be showcasing a DBE at that time. Currently seeking nominations statewide. Utilizing a process model developed by District 11. b. Insurance issues – change in insurance language has been submitted to the DBE Participation Committee for consideration; currently compiling examples of how liquidated damages and other liabilities have been impacting SBs. c. Bonding around stop notices – continue to search for documentation of Caltrans position. d. Two-party checks – gathering information with the intent to find middle ground so as to resolve this issue. e. Prompt payment – will be submitting examples of problems to the DBE Participation Committee. f. Design/build – Ray Tritt has been invited to attend the committee's meeting on July 17. g. Member representation on other bodies, such as UCON (United Contractors), is being considered. 			
<ol style="list-style-type: none"> 4. Professional Services – Bill Ulmer, Co-Chair <ol style="list-style-type: none"> a. Recommendations to the A&E process – the committee developed fourteen recommendations, some of which have already been implemented by DPAC. A document will soon be submitted to Caltrans. 			

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b. Stakeholder involvement – the Directors of Districts 7 and 43 have been invited to attend the committee’s meeting on July 17. c. Re: transparency and accountability – will be addressed at meetings to come. d. Re: A&E utilization – Council Member Eddy Lau mentioned the need to have separate goals for A&E. Request for design/build report regarding DBE utilization.			
ACTION ITEM #3: Provide a report on design/build utilization.			
M. New Business			
1. District 2 – Becky Alexander, District Small Business Liaison, shared a Meet the Primes event on 6/10/14. [Check the OBEO Event Calendar for upcoming district events.] 2. DBE Supportive Services contract – Ramon Carlos reported RFPs were due 5/9/14, however, the majority were determined to be non-responsive. Therefore, the deadline was extended to 5/29/14 to award by the end of June. OBEO is working with those who submitted as well as those who downloaded the RFP to re-submit/submit. a. Evaluations are based on the overall proposal, not just budget amount. b. Augmented requirements to include attending two statewide SBC meetings and four district SBC meetings. c. Mr. Hernandez suggested a training component for smaller A&E firms to help them navigate such things as safe harbor rate. d. Lance Yokota, FHWA, noted Appendix C of the DBE regulations regarding business development programs emphasizes spending more time with firms to help them assist with getting more business, which also requires an investment of time on the firm’s part. A link to this section can be sent to council members. e. Plan to foster SB – Mr. Hernandez reiterated the need to revisit and possibly rewrite this plan; suggested OBEO review Goldman Sachs program. 3. Review of Action Items was covered by Chair Shell.			
N. Public Comment – Chair Shell, Facilitator			
1. Adding suppliers to FHWA report – Mr. Chavez to discuss this with Mr. Yokota. 2. Status of the Regional SBC representing Districts 7, 8 and 12 – Sylvia Delgado, District 7 Small Business Liaison, reported the planning committee is reviewing membership applications; will update council on date of the Regional SBC’s first meeting. 3. Mr. Hernandez asked for the status of CalMentor programs in Districts 7, 8 and 12. 4. Council Member Scott Leslie reminded members of an upcoming bonding workshop he is coordinating; information will be sent to OBEO for distribution. 5. La Sonja Peisker, District 11 Manager of Business Services/Small Business Development, will be sending a link to the article in the <i>National Association of Minority Companies</i> featuring the District’s Small Business Unit. [Link emailed to council members on 5/16/14.]			
Meeting adjourned: 11:56 a.m.			
Next meeting: July 18, 2014, Sacramento at the Lanatt Street Training Center (same venue as May meeting).	Carole Ching to notify SBC members with further details.	6-13-14	Notice of meeting emailed to Council Members.

DOCUMENTS included in the meeting packet/distributed at the meeting:

- Meeting agenda
- Meeting record draft, March 21, 2014

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- Report, FHWA – Federally Funded Contracts (Awarded) April 2014
- Report, DBEs that have received contracts with Construction between October 1, 2013 to March 31, 2014
- Report, A&E contracts, October 1, 2013 to March 31, 2014
- Award Tracker report, March 2014
- Flyer and registration form, *Caltrans Audits & Investigation's A&E Indirect Cost Rate and Contract Audit and Review Presentation*, 6/5/14, Corona, CA
- Flyer, *District 4 Caltrans Mandatory Pre-Bid, 04-014104, for Contractors*, 5/29/14, Oakland, CA
- Report, *Metro I-405 Project Update DBE Program Compliance, Reporting Period: March 30, 2014*

PRESENT

Council Members:

1. Ajiake, Matthew (teleconference)
2. Bley, Ruth (Alt.)
3. Chavez, Chris
4. Garcia, Brenna Butler (teleconference)
5. Garcia, Rodrigo
6. Halm, Eric
7. Hernandez, Richard
8. Hou, Johnathan
9. Hunsaker, Debbie
10. Jordan, Fred
11. Kim, Jason
12. Lau, Eddy
13. Leslie, Scott
14. Lowry, Patrick
15. Patten, Zeke (teleconference)
16. Perez, Alice
17. Thompson, Delores (teleconference)
18. Ulmer, Bill

Caltrans Staff:

1. Shell, Angela, Acting Assistant Director, OBEO & Council Chair
2. Bayar, Zoe, DPAC
3. Carlos, Ramon, OBEO
4. Ching, Carole, OBEO
5. Delgado, Sylvia, District 7 (teleconference)
6. Gastinell, Sherri, OBEO
7. Jones, Jody, District 3
8. Martinez, Steven, District 10 (teleconference)
9. Nogueira, Zelig, District 10 (teleconference)
10. Ortega, Norma, Caltrans
11. Peisker, La Sonja, District 11 (teleconference)
12. Rice, Lorna, District 11
13. Salais, Janice, OBEO
14. Sartipi, Bijan, District 4
15. Singh, Sanjay, OBEO
16. Whitmore, Liza, District 3
17. Zhang, Ray, Local Assistance

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Guests:

1. Carrera, Angel, DGS
2. Hassoun, Sam, AGC
3. Mammano, Vincent, FHWA
4. Yokota, Lance, FHWA

Public Participants:

Churchwell, Dr. Caesar

Ramos, Maria, CalFire